



Department of Justice

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ISLETON WOMAN PLEADS GUILTY TO EMBEZZLEMENT OF \$466,000 FROM WALNUT GROVE ORCHARDS

SACRAMENTO, Calif.—United States Attorney McGregor W. Scott announced today that JUDITH KAYE POWER, 52, of Isleton, Calif. pleaded guilty today before United States District Judge John A. Mendez to a single count of making and uttering a forged instrument pertaining to her embezzlement of \$466,000 from her Walnut Grove Employer.

This case is the product of an investigation by the Federal Bureau of Investigation.

According to Assistant United States Attorney Kyle Reardon, who is prosecuting the case, POWER worked for Steamboat Orchards, a pear farming operation located in Walnut Grove, Calif. As the bookkeeper, one of her duties was to prepare the payroll checks for the business but was not authorized to sign those checks. She also prepared all relevant tax forms for the business relating to payroll, including IRS Form W-2.

From October 16, 2001 until May 31, 2006, POWER wrote extra payroll checks for herself in addition to the payroll check that she was entitled to receive from Steamboat Orchards, forging the name of an authorized signatory on these checks. Altogether, she wrote and cashed or deposited \$468,498.22 in extra payroll checks. She presented these checks to various banks, representing to those banks that she was authorized to cash the forged checks or deposit them into her personal banking accounts.

In support of her fraud, POWER prepared fraudulent time cards, adding more hours to her work schedule than she had actually worked. Furthermore, in order to hide her scheme from the IRS, she prepared for herself fraudulent W-2s for the tax years 2002 through 2006 that included the amounts she lawfully earned as well as the amounts that she wrongfully took from Steamboat Orchards.

POWER is scheduled to be sentenced by Judge Mendez on February 17, 2009, at 9:30 a.m. The maximum statutory penalty is 10 years in prison, a fine of \$250,000, and a three-year term of supervised release. However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables, and any applicable statutory sentencing factors.

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